

LSC Redbook

Analysis of the Executive Budget Proposal

Judicial Conference of Ohio

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READER'S GUIDE

The Legislative Service Commission prepares an analysis of the executive budget proposal for each agency. These analyses are commonly called "Redbooks." This brief introduction is intended to help readers navigate the Redbook for the Ohio Judicial Conference (JCO), which includes the following three sections.

1. ***Overview:*** Provides a brief description of the Conference's existing functions and staffing, and an overview of the Conference's executive recommended budget for the FY 2010-FY 2011 biennium, and notes other important budgetary matters.
2. ***Analysis of Executive Proposal:*** Provides a detailed analysis of the Conference's executive recommended budget, including the funding and purposes for each appropriated line item, and the services and activities that are financed by those appropriated moneys.
3. ***Attachments:*** Includes the LSC's Catalog of Budget Line Items (COBLI), which describes each line item's purpose, revenue, and expenditures, and the LSC budget spreadsheet, which summarizes each line item's recent expenditure and appropriations history.

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ATTACHMENTS:

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

Judicial Conference of Ohio

- Largely GRF-funded agency
- As proposed, biennial budget increases 7.8%
- GRF earmarked for Uniform State Laws

OVERVIEW

Mission and Operations

Duties and responsibilities. The Judicial Conference of Ohio is a statutory entity within the judicial branch of state government created by the General Assembly in 1963 to continually study and recommend changes in the procedures and practices of Ohio's court system in an effort to promote a fair and effective administration of justice.¹ The Conference fulfills this statutory responsibility primarily through research projects, program activities, and published materials that allow information, experiences, and ideas to be shared with and among judges. In 1994, the Conference was authorized to prepare a judicial impact statement on a bill or resolution introduced in the General Assembly that will or may affect revenues and/or expenditures of the courts, workloads or caseloads of judges or members of their staffs, or the disposition of cases.

Members. The Conference consists of all 722 active judges in Ohio, including the following courts and related associations:

- Justices of the Supreme Court of Ohio and judges of the courts of appeals, courts of common pleas, municipal courts, and county courts.
- The Ohio Courts of Appeals Judges Association, the Ohio Common Pleas Judges Association, the Ohio Association of Domestic Relations Judges, the Ohio Association of Juvenile Court Judges, the Ohio Association of Probate Judges, and the Association of Municipal/County Judges of Ohio.

Executive Committee. The general charge and supervision of the administration of the Conference's affairs rests with judges who serve on the Executive Committee. The Executive Committee meets quarterly and is comprised of approximately 40 members including the officers, the committee chairs, the presiding officers and presiding officers-elect from the six judicial associations, the Chief Justice and the Administrative Director of the Supreme Court of Ohio, and the Chief Justice-elect of the Court of Appeals of Ohio.

¹ The Conference's primary duties and responsibilities are codified in section 105.91 of the Revised Code.

Staff. Since FY 2003, the Conference has operated with 11 staff members, including an executive director who is appointed by the officers of the Executive Committee. Conference staff provide administrative and research support for more than 20 permanent and *ad hoc* committees that involve over 200 judges. While judges serving on committees receive no compensation for services rendered to the Conference, judges may receive reimbursement for reasonable and necessary expenses.

Financing. Costs of the Conference's day-to-day business are paid from GRF line item 018321, Operating Expenses, while the expenses associated with supporting the work of its *ad hoc* and permanent committees and conducting various conferences, workshops, and special projects are covered by its lone non-GRF line item 018601, Ohio Jury Instructions.

Executive Recommended FY 2010-FY 2011 Biennial Budget²

The Conference's adjusted FY 2009 appropriations are compared with the executive recommendations for FYs 2010 and 2011 in Table 1 below. Most notably, the executive budget recommends the Conference's requested GRF appropriations of \$1,034,281 and \$1,065,281 for FYs 2010 and 2011, respectively. Relative to the Conference's adjusted FY 2010 GRF appropriation, the FY 2010 recommended appropriation represents a 1.9% increase. For FY 2011, the executive recommended appropriation represents a 3.0% increase from the FY 2010 recommendation. The Conference's proposed GRF appropriations for FYs 2010 and 2011 reflect primarily anticipated increases in the amount of money that it is required to earmark annually for the State Council on Uniform State Laws' membership in the National Conference of Commissioners on Uniform State Laws (NCCUSL) membership and related expenses.

Table 1. Executive Budget Recommendations by Fund Group, FY 2010-FY 2011

Fund Group	FY 2009*	FY 2010	% change, FY 2009-FY 2010	FY 2011	% change, FY 2010-FY 2011
General Revenue	\$1,015,281	\$1,034,281	1.9%	\$1,065,281	3.0%
General Services	\$350,000	\$350,000	0.0%	\$350,000	0.0%
TOTAL	\$1,365,281	\$1,384,281	1.4%	\$1,415,281	2.2%

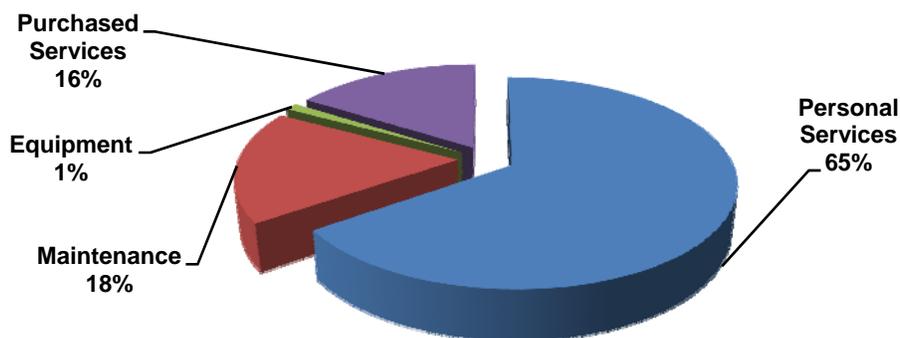
*FY 2009 figures represent adjusted appropriations.

² Pursuant to section 107.03 of the Revised Code, the Governor is not permitted to make any alterations in the biennial budget requests submitted to the Office of Budget and Management by the judicial branch of the state. Thus, herein, as the Conference is an entity of the judicial branch of the state, the executive budget/recommendations reflect the appropriations and language as requested by the Conference.

Expense Summary

Chart 1 immediately below shows the Conference's total recommended appropriations (FYs 2010 and 2011) by major object of expense. All of these appropriated moneys will be allocated for operating expenses, most notably personal services (65.2%), which are payroll-related costs, including salaries, benefits, retirement, purchased time, and training.

**Chart 1: Biennial Executive Budget Recommendations
by Expense Category, FY 2010-FY 2011**



FYs 2008-2009 Expenditure Reductions

According to the Conference, it voluntarily lapsed approximately \$70,000, or about 7%, of its original FY 2008 GRF appropriation of \$985,518, and plans to voluntarily lapse approximately \$50,000, or about 5%, of its original FY 2009 appropriation of \$1,015,281. Over the last few years, the Conference has initiated a number of actions for the purpose of constraining expenditures and increasing revenues, including, but not limited to: (1) communicating through email, broadcast fax, and conference telephone calls, (2) working with the Supreme Court to reduce postage and printing costs, and (3) distributing new publications and related updates via the Internet, email, and CD-ROM.

Strategic Plan

The Conference developed a strategic plan in 1997 and, in the following years, made efforts to meet the initiatives outlined in that plan. According to the Conference, the goals of that original plan were largely achieved by 2006, which incited the need for implementation of a new plan.

During the first half of FY 2009, the Conference hired a facilitator from the National Center for State Courts to act as a consultant in developing a new strategic plan that will essentially update and replace the strategic plan developed in 1997.

Under the terms of the contract, the facilitator will be paid an amount not to exceed \$20,000. The contract payments will be drawn against moneys appropriated from the Ohio Jury Instructions Fund (Fund 4030). Going forward, representatives of the Conference told LSC fiscal staff that the contracted facilitator will conduct interviews and hold meetings to discuss and finalize the plan and, upon conclusion of those meetings, the facilitator will have fulfilled his contractual obligations.

Judicial Impact Memos & Statements

One of the Conference's main initiatives of the current biennium has been a philosophical shift to producing "judicial impact memos" in addition to "judicial impact statements." A judicial impact memo essentially constitutes a letter to a sponsor or committee chair detailing the Conference's position on a bill that has been introduced for consideration in the General Assembly; conversely, a judicial impact statement is a longer more formal document that is generally produced sometime thereafter. The Conference's view is that the former are potentially more useful as a judicial impact memo can reach interested parties earlier in the legislative process. During the 127th General Assembly, the Conference produced seven judicial impact statements and 74 judicial impact memos.

ANALYSIS OF EXECUTIVE PROPOSAL

Operating Expenses

This section of the Redbook examines in more detail the moneys appropriated to pay for the Conference's annual operating expenses, including their intended purpose. Table 3 immediately below shows the line items that are used to pay for the Conference's operating expenses, as well as the Governor's recommended funding levels. It is then followed by a narrative describing how each appropriated amount will be used.

Table 3. Executive Recommended Amounts for the Judicial Conference				
Fund	ALI and Name		FY 2010	FY 2011
General Revenue Fund (GRF)				
GRF	018321	Operating Expenses	\$1,034,281	\$1,065,281
General Services Fund (GSF) Group				
4030	018601	Ohio Jury Instructions	\$350,000	\$350,000
Total Funding: Judicial Conference			\$1,384,281	\$1,415,281

Operating Expenses (GRF line item 018321)

GRF line item 018321, Operating Expenses, is the Conference's primary source of funding. The day-to-day operations are largely paid out of this line item. The executive budget recommends the Conference requested GRF appropriations of \$1,034,821 in FY 2010 and \$1,065,281 in FY 2011. This executive recommended GRF appropriation in FYs 2010 and 2011 will be allocated roughly as follows: personal services (\$875,000), purchased personal services (\$112,000), supplies and maintenance (\$50,000), and equipment (\$11,000). The annual amount allocated for personal services is the cost of payroll-related expenses associated with 10-11 full-time equivalent staff positions, depending on the magnitude of the payroll-related expenses actually charged against non-GRF line item 018601, Ohio Jury Instructions. Another notable component of the Conference's GRF line item is the Uniform State Laws earmark described in the following paragraph.

State Council of Uniform State Laws³

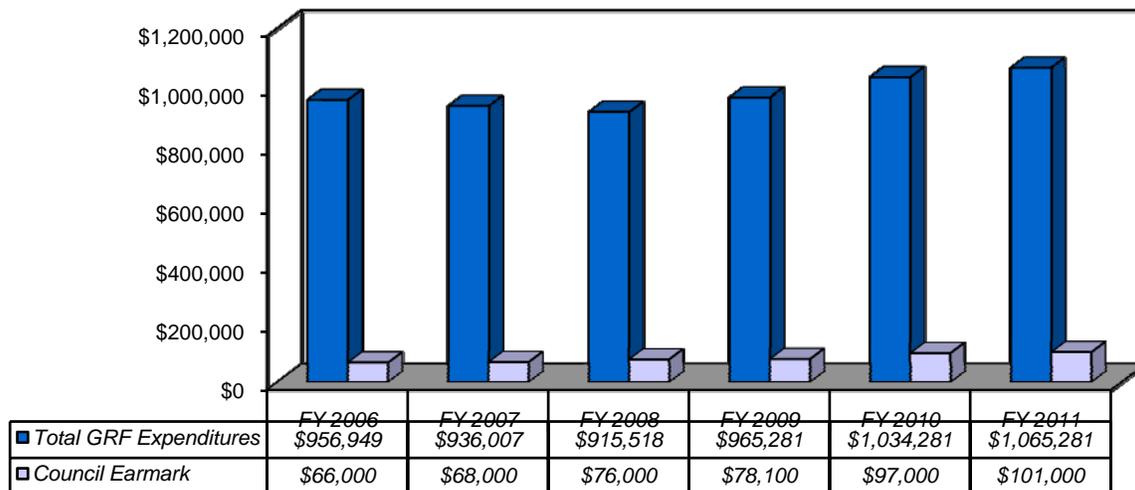
For a number of years, certain costs associated with the State Council of Uniform State Laws have been paid from moneys earmarked for this purpose in the Conference's budget. The earmarked amount is primarily to pay the annual membership dues for Ohio's delegation in relation to the National Conference of Commissioners on Uniform State Laws (NCCUSL). The Ohio members are eligible for state reimbursement of expenses in the performance of their duties and responsibilities but receive no other form of compensation.

Relative to the upcoming FY 2010-FY 2011 biennium, the executive budget contains a temporary law provision permitting, of the Conference's GRF appropriation, up to \$97,000 in FY 2010 and up to \$101,000 in FY 2011 be used to pay the expenses of the State Council, including membership dues to the National Conference, and other expenses under sections 105.25 and 105.26 of the Revised Code. For the current biennium, those "up to" earmarked amounts are \$71,000 and \$73,000 in FYs 2008 and 2009, respectively. The higher earmarked amounts for FYs 2010 and 2011 are a function of two variables: (1) an expected increase in the annual National Conference dues of roughly \$9,000 in FY 2010, followed by another increase of \$4,000 in FY 2011, and (2) an estimated \$15,000 for State Council expense payments. The Conference recently learned that, in past years, some State Council members were not reimbursed for travel expenses, and some were not attending the national meeting altogether because of the unavailability of travel reimbursement moneys. The increase in the annual earmark is to ensure that sufficient funds are available to pay for expenses incurred by the members of the State Council.

The State Council earmark as a portion of the Conference's annual GRF expenditures from FY 2006 projected through FY 2011 is visually summarized in Chart 2 below.

³ The council is a four-member state entity established by section 105.21 of the Revised Code. Its duties are to collect and digest data concerning the prevailing law in the United States and other countries, upon special subjects where uniformity is important, and to ascertain the best means to effect uniformity upon such subjects in the laws of the various states of the United States.

Chart 2: State Council Earmark as a Portion of the Conference's Annual GRF Expenditures, FYs 2006-2011



Ohio Jury Instructions (GSF line item 018601)

GSF line item 018601, Ohio Jury Instructions, draws its appropriation from revenue receipts consisting of membership dues, annual meeting fees, and royalties from the Conference's publication known as *Ohio Jury Instructions*. The line item's appropriation is used to support the work of the Conference's *ad hoc* and permanent committees and to conduct workshops and special projects. The Conference requested a GSF appropriation of \$350,000 for each of FYs 2010 and 2011, and the executive budget recommends both of those appropriations.

The executive budget recommends the Conference requested appropriation for this line item of \$350,000 in each of FYs 2010 and 2011. This executive recommended appropriation in FYs 2010 and 2011 will be allocated roughly as follows: payroll-related costs (\$35,000), purchased personal services (\$112,000), supplies and maintenance (\$196,000), equipment (\$5,000), and transfers (\$2,000).

Conference-Generated Revenue

As noted, the Conference receives royalties from the publication of *Ohio Jury Instructions*, a product of its Jury Instructions Committee. Due to renegotiated contracts with publishers in 2008, the Conference expects royalty revenues to increase between \$7,000 to \$11,000 annually from its current yearly collections that range between \$66,000 and \$78,000. Apparently, these royalties are actually paid to the members that participated in the production of *Ohio Jury Instructions*, and the members then voluntarily contribute all of the royalties to the Conference.

Dues and Fees

Annual dues. The Conference currently collects \$100 annually in dues from all active members, which are deposited in the state treasury to the credit of the Ohio Jury Instructions Fund (Fund 4030). These dues are set administratively by the Conference and were last increased, from \$60 to \$100, at the beginning of 2004. That increase was recommended by the Executive Committee and approved by the members. Approximately 700 judges currently pay dues, resulting in annual revenue of roughly \$70,000.

Annual meeting. The Conference holds an annual meeting, usually attended by nearly 300 judges. The cost of admission, generally \$240 to \$260, is intended to cover the cost of hosting the meeting. In the event such costs exceed admission revenues, the difference is offset by using moneys appropriated from Fund 4030.

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General Revenue Fund

GRF 018321 Operating Expenses

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$956,949	\$936,007	\$915,518	\$1,015,281	\$1,034,281	\$1,065,281
	-2.2%	-2.2%	10.9%	1.9%	3.0%

Source: GRF

Legal Basis: Section 311.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Am. Sub. H.B. 204 of the 113th G.A., the main appropriations act covering FYs 1980 and 1981)

Purpose: The line item is used to fund the payroll, fringe benefit, maintenance, and equipment costs of the Judicial Conference of Ohio. Associated temporary law permits up to \$82,000 in FY 2010 and up to \$86,000 in FY 2011 of the line item's appropriation in each of those fiscal years to pay the expenses of the State Council of Uniform State Laws, including membership dues to the National Conference of Commissioners on Uniform State Laws. An additional \$15,000 for FY 2010 and FY 2011 is appropriated for reimbursement of members' travel expenses.

General Services Fund Group

4030 018601 Ohio Jury Instructions

2006	2007	2008	2009	2010 Executive Proposal	2011 Executive Proposal
\$248,271	\$263,063	\$316,177	\$350,000	\$350,000	\$350,000
	6.0%	20.2%	10.7%	0.0%	0.0%

Source: GSF: Dues (\$100 collected annually from active members who hold a judicial office), conference fees, royalties, grants, bequests, devises, and other gifts

Legal Basis: Section 311.10 of Am. Sub. H.B. 119 of the 127th G.A. (originally established by Controlling Board in FY 1965)

Purpose: The fund and related line item are used to support costs incurred by the Judicial Conference of Ohio in providing educational and informational data to the state's judicial system. This includes, but is not limited to, publications, workshops, conferences (including the Conference's annual fall meeting), and meetings of the Conference's 20-plus permanent and ad hoc committees. Associated temporary law appropriates for the purposes authorized all moneys accruing to the fund in excess of \$350,000 in each of FYs 2010 and 2011 and prohibits the Director of Budget and Management or the Controlling Board from transferring any of the fund's moneys to any other fund.

LSC Budget Spreadsheet by Line Item, FY 2010 - FY 2011

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2008</i>	<i>2009</i>	<i>As Introduced 2010</i>	<i>% Change 2009 to 2010</i>	<i>As Introduced 2011</i>	<i>% Change 2010 to 2011</i>
JCO Judicial Conference of Ohio								
GRF	018321	Operating Expenses	\$ 915,518	\$ 1,015,281	\$ 1,034,281	1.9%	\$ 1,065,281	3.0%
General Revenue Fund Total			\$ 915,518	\$ 1,015,281	\$ 1,034,281	1.9%	\$ 1,065,281	3.0%
4030	018601	Ohio Jury Instructions	\$ 316,177	\$ 350,000	\$ 350,000	0.0%	\$ 350,000	0.0%
General Services Fund Group Total			\$ 316,177	\$ 350,000	\$ 350,000	0.0%	\$ 350,000	0.0%
Total All Budget Fund Groups			\$ 1,231,694	\$ 1,365,281	\$ 1,384,281	1.4%	\$ 1,415,281	2.2%